

ASI Management Response

Analysis of implementation of GHG Emissions reporting from ASI Certified Entities: March 2020-March 2021

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The research report can be found on ASI's website here: https://aluminium-stewardship.org/wp-content/uploads/2021/10/20211012-ASI-GHG-Validation-Report_v2.0_GENERIC.pdf

Recommendations

Recommendations that could be adopted by ASI to further improve the quality, transparency and benchmarking of data disclosures, include:

- a) Encouraging disclosures relevant to facility or activity, which allows aggregation to ASI certification scope level (not aggregated data that can include non-certified production sites or multiple processes);
- b) Encouraging disclosures of not only electricity use, but total energy use and energy use per energy carrier (fuels, electricity, etc.) which is a more relevant proxy for GHG emissions and carbon footprint (particularly for non-Smelter processes); and
- c) Standardising the scope and units of disclosure, both totals and intensities (per unit of production), preferably indicating the specific numerators and denominators used when intensities are reported. These could be implemented through use of standardised data reporting templates, such as those already employed by the International Aluminium Institute (IAI) and other industry associations.

Finally, as per the IAI's Beyond 2 Degrees Scenario (B2DS) to 2050 (IAI, 2021), the ultimate goal is decarbonisation of the entire aluminium sector, and particularly important for the primary aluminium smelting sector. Success will require all aluminium smelters to shift down the current emissions curve, particularly those currently using carbon-intensive sources of power. ASI could play a part in incentivising this by providing certification pathways for all smelters on the emissions curve, whilst ensuring clear, significant and time-bound emission reductions are demonstrated.

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This follow-up study provides very useful insights in the energy use and GHG emissions reporting and disclosures of ASI Entities, energy use and GHG emissions comparison across ASI aluminium

supply chain activities, from bauxite mining to downstream activities. ASI welcomes the findings and recommendations from the report, and will use these in the following ways:

- As with the 2020 study, the findings and recommendations from this evaluation will directly inform the ASI Standards Revision 2020-2022 and ASI Performance Standard Principle 5 – GHG Emissions. The second draft documents will go out for public consultation in Q1 2022. The report findings will also be discussed with the ASI Standards Committee and GHG Working Group.
- In addition to the recommendations from this report, ASI has proposed in the draft ASI Performance Standard V3.0 (draft 1.0 – March 2021) that publicly disclosed GHG data to be independently verified. For an overview of ASI’s Standards Revision process and new requirements for Principle 5, please refer to the ‘ASI Standards – 2021 Consultation Round I – Overview’ document.
- ASI agrees with the authors that the current ‘2030 smelter emissions threshold’ of 8 t CO₂e/t Al provides less incentive for smelters in the upper 50% of the emissions curve to consider ASI certification. To engage more smelters and provide further incentives, ASI has therefore included alternative pathways in the ASI Performance Standard V3.0 (draft 1.0 – March 2021) to certification for smelters above the current 8t CO₂e/t threshold, whilst still requiring clear, significant and time-bound reductions in GHG emissions.
- This evaluation will also inform the development of GHG-specific member and auditor training modules which will be published as part of the ASI Standards Revision process. The modules aim to support the implementation and the evaluation of the revised ASI Performance Standard Principle 5 Criteria, and will help Entities point to relevant tools and resources for GHG accounting and reporting.
- The comparison of publicly disclosed data from ASI Entities against data from CRU’s Emissions Analysis Tool, for primary aluminium activities, provides for the valuable checking of data and is a tangible outcome of ASI’s recent MoU with CRU. Over the coming months, ASI Certified Entities’ CoC certification status, inclusion of rolling mills and the challenges of differing GHG inventory scopes will be added to the CRU Emissions Analysis Tool.
- In conjunction with the CRU Emissions Analysis Tool, the ASI Secretariat will also use the analysis contained in this report to inform oversight of audit reports for GHG disclosures. The study provides a ‘year on year’ snapshot of Certified Entity data being publicly disclosed, enables comparison between similar Entity types. In addition, the CRU Emissions Analysis Tool enables the Secretariat to compare the Entity’s publicly disclosed data against the best available emissions intensity estimate published in the CRU Tool. Upon identification of any material discrepancy, the ASI Secretariat will liaise with the auditors and/or Entity to address any errors or inaccuracies in the public data.